

New West Commercial Transition Update
Frequently Asked Questions
March 2, 2012

February 29, 2012 marked the closing of the Asset Purchase Agreement between New West Health Services and PacificSource Health Plans. March 1, 2012 all New West commercial coverage (large group, small group, individual and association) transferred or became “bulk reinsured” with PacificSource. To document the legal change of health coverage risk with PacificSource, a Certificate of Assumption is being mailed to commercial members. Members should begin receiving those on Monday, March 5.

New West Health Services still retains responsibility for ALL health plan administration of the commercial coverage: claims, medical services, enrollment, renewals, customer service and issuance of new coverage. In addition, responsibilities are growing with New West Medicare Advantage and Supplement business.

New Sales and Renewals

New sales – New West is actively accepting and processing both group and individual applications through March 30, 2012.

Renewals –New West has renewed group coverage through May, and will be issuing individual renewals for May in mid-March. New West will continue to issue renewals until PacificSource takes over that function. Once that date is determined, Strategic Growth, Customer Service and Enrollment and Premium Billing will be notified, and the information placed on the Intranet.

- 1) Question: Will New West continue to take and process applications?

Answer: Yes, New West will accept and process applications received through March 30, 2012.

- 2) Question: What happens if my New West policy renews May 1, 2012?

Answer: Your New West policy will renew according to the renewal notice you received from New West.

- 3) Question: What happens if I (my agent and I) negotiated benefit revisions with New West on renewal?

Answer: The negotiated terms you and New West agreed to will apply, including any premium revision resulting from the negotiated terms.

(continued)

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Operations – claims payment, add or remove a dependent, change addresses, pay premium, secure authorization, customer service calls, and so forth

1) Question: What happens to my New West coverage?

Your New West coverage continues in place, your claims are being paid, and nothing with your policy or benefits has changed, nor will it change until your next renewal. At that time, PacificSource will contact you with coverage options very similar to your current coverage, as well as other options you may wish to consider.

With the Montana Commissioner of Securities and Insurance's approval of the "Bulk Reinsurance Transfer", you will get a notice, called a Certificate of Assumption, from PacificSource and New West that PacificSource has assumed the legal insurance risk of your New West coverage.

To make the transition seamless for New West commercial customers, New West will continue to pay your claims, accept your premium and answer your questions on your current policy.

2. Question: Who do I call when I have coverage questions or need to add a dependent?

Answer: Continue calling New West at 1-800-290-3657. For your information, PacificSource has also created a specific webpage for you, PacificSource.com/NewWest.